

Alaska Telephone Association

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VIA ELECTRONIC FILING

Commissioner Deborah Taylor Tate
Chair, Federal State Joint Board on Universal Service

Commissioner Ray Baum
State Chair, Federal State Joint Board on Universal Service

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: *Federal-State Joint Board on Universal Service, High Cost Universal Service Support, WC Docket No. 05-337; Federal-State Joint Board on Universal Service, CC Docket No. 96-45*

Dear Commissioner Tate and Commissioner Baum:

The Alaska Telephone Association (“ATA”) joins with many other credible members of industry in voicing enthusiastic support for AT&T’s proposal to the Joint Board for an interim solution for immediately curbing the accelerating demand on the universal service high cost fund. The uncertainty of sufficient cost recovery due to the demands on the universal service fund (“USF”) and threats against it by legislators concerned with its unfettered growth, have caused a chill among those members of industry charged with the actual provision of universal service; carriers of last resort. Prompt action by the Joint Board and the FCC is imperative.

The ATA represents 15 rural local exchange carriers (“RLECs”) in Alaska, all of which are recipients of high cost universal service funds and carriers of last resort! Although informing you of our support for AT&T’s proposal is sufficient justification for this letter, our participation in this matter became essential when we became aware of the smoke General Communication Inc. (“GCI”) was blowing your way in its April 3, 2007 letter. It is with extraordinary duplicity that GCI cries that the changes proposed by AT&T will wreck havoc on the deployment of “innovative wireline, wireless and broadband services for Alaska.” It is the imminent threat to the universal service fund, caused by competitive local exchange carriers (“CLECs”) like GCI, that threatens the delivery of basic and advanced communications services to Alaska’s rural citizenry.

In its letter GCI has neglected to mention that the wireline service providers already serving rural Alaska have in place the most cost-effective platform for delivering next-generation broadband to the local communities. Neither CATV (without fiber to the home), nor wireless can match the broadband capacity or efficiency of the wireline-based RLEC.

GCI argues that the AT&T proposal “contradicts statutory authority” because it fails to promote infrastructure deployment throughout Alaska and it is not competitively neutral. Gibberish! Carriers of last resort serve throughout Alaska and the state commission requires that all communities of 25 or more persons shall be served. And they are served!

GCI thinks competitive neutrality means it should receive the same amount of USF high cost dollars per line as the ILEC in the same study area; the identical support rule. ILEC recovery has a basis in fact, is validated by audited accounts demonstrating costs of infrastructure and operations for providing carrier of last resort services and is based on figures two years past. There is also recovery for reductions in access revenues brought about by the CALLS and MAG plans.

The identical support rule that GCI alleges is competitively neutral provides the CLEC, i.e. GCI, the same recovery per line without the necessity of keeping separate accounts, without being audited, without any relevance to its cost of infrastructure investment or its cost of operations, and without assuming carrier of last resort responsibilities. It receives the funds on a going forward basis rather than after a two-year wait and it receives dollars to replace access charge reductions that it never made. In a nutshell, it receives universal service funds without providing universal service and it wants you to believe that that is competitively neutral.

On page 4 of its letter, GCI voices its oft-stated misconception of the difference (or lack thereof) between “mandates” and “expressly permits.” Respectively the terms speak to the congressional intent of the designation of eligible telecommunications carriers (“ETCs”) in non-rural areas and rural areas. Apparently GCI believes these terms are identical and after more than ten years of such confusion, we have little hope that GCI will ever recognize the truth. If Congress had not intended there to be a distinction between non-rural and rural, it likely would not have mentioned them separately in Section 214(e) and it would not have used different terms for consideration of ETC designations in the respective areas. Additionally, it would not have crafted a rural exemption. The ballooning of the high cost fund is a pretty good indicator that Congress’ intent to carefully weigh the public interest before designating ETCs in rural areas has not occurred sufficiently often. The public interest – certainly the rural public’s interest – is in jeopardy along with the threatened high cost fund.

We offer these comments because it is important for you to understand that GCI’s voice is not the voice of Alaska. Alaskans need a sufficient and sustainable universal service fund. The AT&T proposal goes far toward rescuing the fund from the brink of disaster by reducing the immediate demand and preventing an accelerated demand for the near future. The ATA respectfully requests that the Joint Board and the FCC adopt the AT&T proposal of March 22, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Rowe", with a long horizontal flourish extending to the right.

James Rowe
Executive Director
Alaska Telephone Association

cc: Chairman Kevin J. Martin
Commissioner Jonathan Adelstein
Commissioner Michael J. Copps
Commissioner Robert M. McDowell
Hon. Lisa Polak Edgar
Hon. Larry S. Landis
Hon. John D. Burke
Hon. Billy Jack Gregg
Daniel Gonzalez
Ian Dillner
Nick Alexander
Scott Bergmann
Scott Deutchman
John Hunter
Thomas Navin
Donald Stockdale
Amy Bender
Jeremy Marcus